

QUALITY ASSESSMENT FORM

Title of the evaluation:

EVALUATION OF THE STRUCTURAL EFFECTS OF DIRECT SUPPORT

DG/Unit: DG AGRI, Unit L4

- Official(s) managing the evaluation: Martin Szentivany

Evaluator/contractor: Agrosynergie, Groupement Européen d'Intérêt Economique

Assessment carried out by:

- Steering group with the active participation of units C4, D1, I1, L1, L2, L3, L4, J3 of DG AGRI, DG ESTAT, JRC-IPTS

Date of the Quality Assessment: September 2013

(1) RELEVANCE

Does the evaluation respond to information needs, in particular as expressed in the terms of references?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
				X	

Arguments for scoring:

The evaluation adequately responds to the information needs of the commissioning body and fully meets the requirements of the terms of reference.

The evaluation examined the effects of direct support schemes laid down in Council Regulation (EC) No 1782/2003¹ (the 2003 CAP reform) on farm structural changes. It assessed the development of farm structures as well as the effects of direct payments on labour force, capital and on farm business strategies.

(2) APPROPRIATE DESIGN

Is the design of the evaluation adequate for obtaining the results needed to answer the evaluation questions?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
				X	

Arguments for scoring:

The methodology design is appropriate for addressing the evaluation objectives. As requested by the terms of reference, the evaluation started with the theoretical analysis of effects of decoupled and partially coupled aid on farm structures, in particular on labour allocation decisions and farm exit and on the substitution of capital for labour.

In answering the evaluation questions, the results of the theoretical analysis were confronted with the results of the empirical analysis. Given the complexity of the topic, the methodology for answering evaluation questions combined several approaches:

- a) theoretical analysis to formulate assumptions on the effects of direct support and a review of national legal frameworks covering the EU-27 to identify legislative instruments at national level with potential effects on structural change in agriculture,
- b) quantitative statistical analysis,
- c) CATI² survey of beneficiaries of direct support in 12 case study regions aimed at collecting information on the effects of direct support on farm business strategies, not otherwise available in the EU or national statistics,
- d) econometric modelling.

The combination of these approaches allowed addressing all evaluation questions in a credible way.

¹ later Council Regulation (EC) No 73/2009

(3) RELIABLE DATA

Are data collected adequate for their intended use and have their reliability been ascertained?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
				X	

Arguments for scoring:

Multiple secondary data sources were exploited in the analysis. The evaluators used agricultural statistics at regional level (NUTS II) from Eurostat, the data at farm level from the FADN database³ and the CAP budget data at regional level drawn from the CATS database⁴.

The quantitative statistical data were complemented by primary data collected through CATI survey of 1000 beneficiaries of direct support in 12 case study regions (located in France, Germany, Greece, Hungary, Italy, Poland, Portugal, Slovenia, Spain and UK).

In addition, qualitative information on national legal and institutional frameworks potentially affecting farm structures was collected through a literature review, interviews with experts and questionnaires sent out to agricultural professional organisations in all EU-27 MS.

The data limitations were well presented for each of the tools used.

It should be noted that the 2010 Eurostat data on farming in less favoured areas were not available for the majority of EU Member States making it impossible to draw conclusions on the role of direct support after 2005 in these areas.

² CATI = Computer Assisted Telephoning Interviewing

³ FADN = Farm Accountancy Data Network

⁴ CATS = Clearance of Account Trail System

(4) SOUND ANALYSIS

Are data systematically analysed to answer evaluation questions and cover other information needs in a valid manner?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
			X		

Arguments for scoring:

The analysis was carried out in a rigorous way following established evaluation criteria and indicators, relying on multiple data sources. Two main methodological approaches were used: a) statistical analysis; b) econometric modelling. The first one analyses the development of the structural indicators being instrumental for interpreting the observed phenomena over the studied period. The second approach provides a quantitative estimation of the impact of the direct support on the observed structural attributes. The methodology was complemented by: a) a review of national legal frameworks, mapping for the 27 Member State the most important legislative instruments at national level with potential impact on farm structures; b) CATI survey, collecting information on the effects of direct support on farm business strategies, not otherwise available in the EU or national statistics.

The analysis distinguished across the alternative Single Farm Payments implementation models (Historical, Regional, Hybrid and SAPS) and between 8 farm types and different farm size classes.

A strong point of the analysis is that most conclusions are supported by the results of two or more examinations carried out by different methods. The evaluator made an effort to distinguish the impact of policy measures from the effects of other factors, which is in this particular area very challenging. On the other hand, some of the evaluation methods and analysis (e.g. econometric modelling) could have been described in a language better adapted to wider audience.

(5) CREDIBLE FINDINGS

Do findings follow logically from and are justified by, the data/information analysis and interpretations based on pre-established criteria and rational?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
				X	

Arguments for scoring:

The findings are based on clearly defined evaluation criteria and supported by the evidence provided through the sound analysis.

(6) VALID CONCLUSIONS

Are conclusions non-biased and fully based on findings?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
				X	

Arguments for scoring:

The conclusions are substantiated by evaluation findings, which in turn were drawn from the sound analysis. Given the complexity of the analysis, they are balanced and prudent.

(7) HELPFUL RECOMENDATIONS

Are areas needing improvements identified in coherence with the conclusions? Are the suggested options realistic and impartial?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent

Arguments for scoring:

The core aspect of the 2003 CAP reform (decoupling of support from production) affects farmers' behavior and production decisions. These decisions have only an indirect effect on farm structural attributes. There are none policy objectives related to farm structures under the EU legal framework. Therefore, the evaluator did not make recommendations, which is consistent with the conclusions from the evaluation.

(8) CLARITY

Is the report well structured, balanced and written in an understandable manner?

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
			X		

Arguments for scoring:

Although the report is rather long, it is well structured and balanced. The evaluator made an effort to present often complex technical analysis in an understandable manner. Yet, some parts of the report (e.g. econometric analysis) remain written in technical language. The executive summary synthesises in a transparent way numerous analyses and findings and presents the conclusions to the reader in a way that are easy to follow.

OVERALL ASSESSMENT OF THE FINAL EVALUATION REPORT

Overall, the quality of the report is assessed to be **very good**.

Is the overall quality of the report adequate, in particular:

- Does the evaluation fulfil contractual conditions?

Clearly and fully.

- Are the findings and conclusions of the report reliable, and are there any specific limitations to their validity and completeness?

The findings and conclusions of the report are reliable and clear.

- Is the information in the report potentially useful for designing intervention, setting priorities, allocating resources or improving interventions?

Together with the previous horizontal evaluations on the market and income effects, this evaluation on the structural effects of direct support provides a useful reference for any reflection on the future design of direct aids under the CAP.